

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

24 HOUR FITNESS WORLDWIDE, INC., *et al.*<sup>1</sup>,

Debtors.

Chapter 11

Case No. 20-11558 (KBO)

(Jointly Administered)

**LIMITED OBJECTION OF TR WATERIDGE LLC TO DEBTORS' MOTION FOR  
ENTRY OF FINAL ORDER AUTHORIZING POSTPETITION FINANCING**

TR Wateridge LLC ("TR Wateridge"), a lessor, creditor and party-in-interest in these chapter 11 cases, respectfully subjects this Limited Objection to the Motion of Debtors For Entry of Interim and Final Orders (I) Authorizing The Debtors To Obtain Postpetition Financing, (II) Authorizing The Debtors To Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Claims, (IV) Granting Adequate Protection To Prepetition Lenders, (V) Modifying Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief [D.I. 17] ("DIP Financing Motion"), and in support thereof, states as follows:

1. TR Wateridge leases space located at 5100, 5105, 5110, 5120, 5140 and 5150 West Goldleaf Circle, and 5035 and 5045 West Slauson Avenue, Los Angeles, California 90056 (the "Goldleaf Circle Premises") to Debtors. Unlike many other locations, Debtor's Goldleaf Circle Premises is open and operating.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are 24 Hour Holdings II LLC (N/A); 24 Hour Fitness Worldwide, Inc. (5690); 24 Hour Fitness United States, Inc. (8376); 24 Hour Fitness USA, Inc. (9899); 24 Hour Fitness Holdings LLC (8902); 24 San Francisco LLC (3572); 24 New York LLC (7033); 24 Denver LLC (6644); RS FIT Holdings LLC (3064); RS FIT CA LLC (7007); and RS FIT NW LLC (9372). The Debtors' corporate headquarters and service address is 12647 Alcosta Blvd., Suite 500, San Ramon, CA 94583.

2. TR Wateridge hereby joins in and adopts the arguments and objections to Debtors' DIP Financing Motion set forth in the Limited Objection of Various Landlords to Motion of Debtors for Entry of Final Order (I) Authorizing the Debtors to Obtain Post-petition Financing, Etc. (dkt. #430] (the "Lessors' Objection").

3. While the current pandemic resulting from COVID-19 unquestionably has impacted Debtors' business, its lenders and other constituencies in these Chapter 11 case, it particularly and uniquely impacts Debtors' landlords. As such, any relief under the DIP Financing Motion needs to better balance the competing interests of Debtors, their lenders, landlords and other stakeholders.

4. For all of the reasons set forth in the Lessors' Objection, TR Waterside, like Debtors' other lessors, should be granted adequate protection in the form of an escrow or segregation of funds sufficient to cover all deferred rental payments that will be due and owing to TR Waterside during the post-petition period, and the right to surcharge the lenders' collateral pursuant to section 506(c) of the Bankruptcy Code. TR Waterside is particularly entitled to this relief because the location it leases to Debtors has been and continues to be open and operate, thereby generating revenue for the benefit of Debtors and their estates.

5. TR Waterside reserves the right to make such other and further objections to the DIP Financing Motion as may be appropriate based upon any new information provided by Debtors or upon any different relief requested by Debtors, or as may be developed through formal or informal discovery.

6. To the extent not inconsistent with its position, TR Waterside hereby also joins any objection to be filed by the Official Committee of Unsecured Creditors.

Respectfully submitted,

HOLLAND & KNIGHT LLP

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*Counsel to TR Wateridge LLC*

Dated: July 7, 2020

**CERTIFICATE OF SERVICE**

I, Barbra R. Parlin, counsel to TR Wateridge LLC in connection with the above-captioned bankruptcy proceeding, hereby certify that on this 7<sup>th</sup> day of July, 2020, copies of the foregoing *LIMITED OBJECTION OF TR WATERIDGE LLC TO DEBTORS' MOTION FOR ENTRY OF FINAL ORDER AUTHORIZING POSTPETITION FINANCING* were served through the Court's ECF system.

/s/ Barbra R. Parlin